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PATENT**REMARKS**

Applicants have thoroughly considered the Examiner's remarks in the January 3, 2005 Office action and respectfully request reconsideration of the application. By this Amendment C, Applicants have amended claims 1-27 and have added new claims 35-43 to more clearly set forth the invention. Thus, claims 1-43 are presented in the application for further consideration.

Response to Rejection under 35 U.S.C. §101

Claims 1-24 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. The Office action states that the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility. Applicants respectfully disagree. The invention involves processes executed by a computing device to produce a useful, concrete, and tangible result by producing re-allocation of at least a portion of a client's assets by purchasing a series of pre-paid death benefits insurance products with a series of one-time premiums. Thus, according to State Street<sup>1</sup>, amended claim 1, for example, is directed to patentable subject matter. Nevertheless, solely to advance prosecution of the application not for any reason related to patentability, Applicants have amended claims 1-24 as suggested by the Examiner. As such, Applicants respectfully request the rejection of claims 1-24 under 35 U.S.C. §101 be withdrawn.

Response to Rejection under 35 U.S.C. §102

Claims 1-19 stand rejected under 35 U.S.C. §102(e) as being anticipated by Moran, U.S. Patent No. 6,430,542 ("Moran"). Applicants submit that the Moran reference fails to disclose or suggest a computer generating a plan for re-allocating a client's assets among the defined categories based on liquidity analyses such that the plan re-allocates the client's assets by setting a series of pre-paid death benefits having a one-time premium.

<sup>1</sup> State Street Bank & Trust v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375-77 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 1093 (1999).

Amended claim 1 recites, in part, "a computerized process for ... executing a retirement protection module to generate a plan for re-allocating the client's assets among the defined categories based on the liquidity analyses, said plan providing for a re-allocation of at least a portion of the client's assets by purchasing a series of pre-paid death benefit amounts, each of said pre-paid death benefit amounts being purchased by a one-time premium." In one aspect, amended claim 1 sets forth a process for generating a comprehensive plan for analyzing a client's current estate liquidity and projecting future estate liquidity. Such analysis results in a comprehensive solution that identifies which of the client's assets and how much of them to transfer to, for example, particular life insurance products having desirable risk characteristics. (See Application, page 5, lines 1-3). By generating a series of pre-paid death benefits with a one-time premium, rather than a single death benefit purchased with a series of ongoing premium payments or other solutions, embodiments of the invention avoid both over-funding and explosion.

To the contrary, the Moran reference merely discloses a financial planning and advice system that allows an advisor to provide proactive, efficient service to clients. A Virtual Executor and other components simulate steps required to settle a person's estate from the moment of death until all property are distributed to survivors. Although the Examiner relies on several portions of the Moran reference in rejecting the claims (e.g., col. 42, lines 10-40; col. 17, lines 5-65, col. 18, lines 35-60, col. 19, lines 1-10, col. 24, lines 6-8, etc.), these cited portions merely discuss data entry fields that may be input into the Moran reference. For example, col. 17, lines 5-65 and col. 18, lines 35-60 discuss how an advisor may input various assets of a client. Discussions in col. 19, lines 1-10 provide data entry fields for a client's expenses. These portions of the Moran reference fail to mention, among other things, generating a plan to re-allocate at least a portion of a client's assets to a series of pre-paid death benefits each having a one-time premium under a life insurance policy.

Also, Applicants disagree with the Examiner that the Moran reference in col. 42, lines 10-40, which includes the majority of Moran's claim 52, teaches steps of defining a life insurance product according to Applicants' invention. Rather, claim 52, which depends from claim 51, merely discloses "compiling all assets and insurance policies included in said member's gross estate, determining a value for life insurance policies designating said member as an insured, or assigning said value of said life insurance policies to beneficiaries."

As stated in the Office action on page 6, "Moran fail[s] to explicitly teach prepaid," the Moran reference fails to disclose or suggest at least the features of a plan that includes **"a series of pre-paid death benefit amounts, each of said pre-paid death benefit amounts being purchased by a one-time premium"** as recited in amended claim 1. In fact, the Moran reference merely discloses different financial planning, changes, forecasts, or recommendations that can be made as an advice to the client. (See Moran, FIGS. 45 to 50). In addition, the Virtual Executor of the Moran reference only simulates events or strategies for handling a person's assets in the event of the person's death. Nowhere are the features of "executing a computerized retirement protection module to generate at least a plan for re-allocating the client's assets among the defined categories based on the liquidity analyses" such that the plan includes a series of pre-paid death benefits with a one-time premium in response to re-allocating a portion of the client's assets anticipated in the Moran reference. In fact, the Moran reference teaches away from the current invention by referring to **"premiums to cover a new policy"** (Moran, col. 32, lines 48-64) to describe a future funding for a policy. Such a single death benefit policy purchased with a series of ongoing premium payments may result in over-funding or exploding, just the problem with existing insurance products that the present invention solves.

As such, Applicants submit that the Moran reference does not anticipate claims 1-19 and that the independent claim 1 is patentable over the Moran reference. Claims 2-19 depend from the independent claim 1 and provide additional features to the claim 1. Therefore, claims 2-19 are also patentable over the Moran reference. Applicants respectfully request that rejection of claims 1-19 under 35 U.S.C. §102(e) should be withdrawn.

Claims 20-25 stand rejected under 35 U.S.C. §102(e) as being anticipated by Ryan, U.S. Patent No. 5,802,500 ("Ryan"). Applicants disagree with the Examiner's reading of the Ryan reference because the Ryan reference merely covers a system and method for complying with new accounting methods outlined in the Financial Accounting Standards Board (FASB) Statement 106. (See Ryan, title; col. 1, lines 29-37; and col. 3, lines 14-18). Applicants' claims do not involve any financial accounting issues addressed by Ryan and, therefore, this reference is not pertinent.

Amended claim 20 recites a computerized process which includes **"defining a premium, determining a cash value of the product based on the premium, and defining a pre-paid death**

benefit based on the cash value of the product". In other words, instead of having a series of payments (e.g., premiums) to fund a policy, amended claim 20 defines a one-time premium for a pre-paid death benefit policy. Under conventional practices, the death benefit is defined initially and a client pays for the defined death benefit with a series of on-going premiums. In contrast, the embodiments of the present invention reverse the existing practices by defining a series of premiums that create cash values that then determine the pre-paid death benefits on a daily basis. This advantageously avoids over-funding and exploding that are associated with the prior art.

Moreover, the Ryan reference teaches away from the present invention. While the Office action asserts that the "prefunding program" recited in Ryan teaches the pre-paid feature of embodiments of the invention, the Ryan reference is directed to a corporation prefunding an employee benefits program in accordance with FASB Statement 106 and does not teach purchasing a series of pre-paid death benefit amounts with a series of one-time premiums. Moreover, the Ryan reference teaches, "Depending on the life insurance carrier chosen, this policy may be either an individual or group variable life contract. Variable life contracts are preferable because their policies' cash value [sic] are invested in separate accounts. Corporations typically prefer such contracts because investment performance of separate account assets is tied to the performance of investment funds, and, further, in the case of carrier insolvency, these funds are free from the claims of creditors under most state insurance laws." (col. 9, lines 11-19). Such policies are known in the art to require ongoing premiums to purchase a single death benefit.

The present invention, on the other hand, specifically overcomes such shortcomings of the traditional variable life insurance contracts because a client early in life is often locked into purchasing a significantly greater amount of death benefit than is currently needed in anticipation of matching some arbitrary projection of what his or her wealth will be in the future. If the projection is too high, the client ends up in an "over-funding" situation; if the projection is too low and the term portion inadequate, the client ends up with an "exploding" policy. (See Application, page 1, lines 6-17 and page 4, lines 14-15).

As such, Applicants respectfully submit that claim 20 as amended is patentable over the Ryan reference. Claims 21-25 dependent from claim 20 and recites additional features and limitations to claim 20. Therefore, claims 21-25 should also be patentable over the cited art for

at least the same reasons as for claim 20 and the rejection of 20-25 under 35 U.S.C. §102(e) should be withdrawn.

Response to Rejections based on 35 U.S.C. §103

Claims 26-34 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Moran in view of Ryan. Applicants argue that, as neither the Moran nor the Ryan reference anticipates the present invention, the cited art lacks motivation to combine the references and that the combined references also fail to teach or suggest each and every element of the present invention.

Amended claim 26 recites: "a computer-readable medium having computer-executable modules comprising: a current liquidity module for performing a liquidity analysis to determine a current value of assets of a client...; a projected liquidity module for performing the liquidity analysis to determine a projected value of the assets of the client...; a retirement protection module for generating a plan to re-allocate the assets of the client among the asset categories based on the liquidity analyses to provide protection of retirement funding for the client, said plan providing a re-allocation of at least a portion of the assets at relatively greater risk to a pre-paid, variable life insurance product having a one-time premium at relatively lower risk."

The invention of claim 26 categorizes assets that are tailored towards the four liquidity analyses disclosed in the application (i.e., a retirement protection analysis, a current estate liquidity analysis, an estate tax reduction analysis, and a future estate liquidity analysis). In addition, the invention as recited in amended claim 26 teaches more than liquidity analyses of categorized assets of a client. The results of the liquidity analyses are used as parameters to determine which of the series of **pre-paid insurance products each having a one-time premium** is most favorable to the client's retirement planning goals. The claimed invention also provides for daily, on-going assessment of the cash value of the product to avoid over-funding or explosion. While the Moran reference discloses categorizing of assets in a financial planning system and the Ryan reference teaches prefunding an employee benefits program in accordance with Statement 106 and calculating the necessary premium for a traditional variable life insurance policy in compliance with effects of accrual accounting under Statement 106, "the

mere fact that references *can* be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination."<sup>2</sup>

Accordingly, the *prima facie* elements of obviousness rejection under 35 U.S.C. §103(a) has not been established with respect to claim 26-34. Therefore, the independent claim 26 and its dependent claims 27-34 are patentable over the combined reference. As such, Applicants respectfully request the rejection of claims 26-34 under 35 U.S.C. §103(a) should be withdrawn.

New claims 35-43 recite the "pre-paid" feature of embodiments of the invention. Independent claim 35 and its dependent claims 36-43 are directed premium amounts that are paid on behalf of an individual purchasing particular death benefit amounts. Both cited references, either individually or in combination, fail to contemplate an individual purchasing a pre-paid death benefit. New claims 35-43 are supported by the specification of the application (see Application, pages 11 to 13), and features recited in the new claims are not taught or suggested by either Moran, Ryan, or a combination of Moran and Ryan. As such, Applicants submit that claims 35-43 are patentable over the cited art.

### CONCLUSION

In light of the foregoing, applicants believe claims 1-43 to be in condition for allowance and respectfully request favorable reconsideration of the application as amended.

The Commissioner is authorized to charge \$1,020.00 for a three (3) month extension of time up to July 5, 2005 and additional claim fees of \$550.00 (one additional independent claim and nine additional claims) to the Deposit Account No. 19-1345. If, however, the Commissioner determines otherwise, other fees may be charged during the entire pendency of this application to Deposit Account No. 19-1345.


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<sup>2</sup> MPEP §2143.01 (citing *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990)).

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Respectfully submitted,



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